GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4732
ANSWERED ON:25.04.2008
GUIDANCE TO BANKS ON RURAL DEVELOPMENTAL ACTIVITIES
Reddy Shri Magunta Sreenivasulu

Will the Minister of FINANCE be pleased to state:

(a) whether most of the Banks in addition to their primary functions are involved in rural developmental activities;

(b) whether there is any coordinating agency to give guidance to the Banks in all rural developmental activities such as technical, financial schemes to the trainees, self employment opportunities etc.; and

(c) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL)

(a) : Yes, Sir.

(b) 8s (c) : The National Bank for Agriculture Rural Development (NABARD) has been coordinating with the banks for upscaiing the Self Help Group â€" Bank Linkage Programme and providing guidance and financial, support to banks, Non Governmental Organisations/Voluntary Agencies,Development Agencies/Professional Institutes for taking up various rural development activities. NABARD`s guidance and support to the above agencies includes :

Treat SHG lending as a normal lending activity of the bank as a priority sector lending;

Relaxation in margin and security norms and Simplified documentation for SHGs;

providing comprehensive training support to various levels of Bank staff;

Providing grant support to Self Help Promoting Institutions (SHPIs) for promoting and credit linking SHGs through banks;

enhancing credit absorption capacity in rural areas and training innovations for hassle- free credit delivery;

Capacity building of stake holders associated with various development programmes;

Ensure participation of people in the process of development;

Setting up of Women Development Cells(WDCs) in Cooperative banks and RRBs;

Conduct Rural Entrepreneurship Development Training (REDPs) for enabling rural youth to take up self emplojTnent ventures;

Setting up of Rural Development sind. Self Employment Training Institutes (RUDSETI);

@ Setting up of Efusiness Development Cells (BDCs) in Cooperative banks;

@ NABARD had formulated 143 model schemes covering various agricultural and allied activities and put on its website for the benefit of banks and general public;